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INFORMATION REPORT

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1. On 25 May 1948, oil firms in the Zistersdorf area received orders from the Central Administration of Soviet Oil Companies in Austria, Vienna I, Kantgasse 1, that personnel rosters must be reduced by 15%. Particular attention was to be paid to inefficient or non-productive workers, and the choice of those to be released was to be left to the shop council in each firm. It was source's opinion at the time that such a reduction in personnel seemed inconsistent with constant Soviet demands for increased production and, in fact, with the slightly increased production in June achieved by individual treatment of the wells and by use of gas anchors to avoid too rapid depressurization.

2. [REDACTED] in the meantime, the requested 15 percent reduction in working staff has been reduced to 10 percent, and that even this figure was not being closely adhered to. Despite Communist pressure to discharge elements unsympathetic to the Communist cause, the Kantgasse office of CASOCA supported the management in its desire to retain the remaining oil experts, with the result that most personnel dismissed were unquestionably dispensable. The experts remained, despite Nazi or other undesirable political backgrounds. [REDACTED] 25X1A

25X1A [REDACTED] former candidates for the NSDAP, as well as convicted criminals among the Zistersdorf workers are offered the alternative of discharge or joining the Communist Party. Failure to join will result in discharge within fourteen days. This circumstance has not been confirmed.)

3. [REDACTED] according to latest orders from the Kantgasse Office, 25 to 35% of the total Zistersdorf workers will be laid off. The deadline for these dismissals has not definitely been set. The only exception to this order is to be at the Muehlberg oil field. In the past two weeks, about a hundred workers have been released by DEA. SEB III (Itag-Rannersdorf) dismissed eleven persons early in July. In both these cases, most of those released were foreigners and were not acceptable to the Communist Party and, in addition, were not particularly productive workers. The largest group affected were Volksdeutsche from Czechoslovakia, Hungary and Yugoslavia. The motor pool "Auto-Basis I" in Neusiedl released all drivers in the salary class 4 and 5 (700-900 schillings per month) but rehired them, provided they agreed to come back in the lower salary groups (500-650 schillings). These measures are being conducted under guise of company reorganization.

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[REDACTED] this new decree seems to be more a matter of cutting overhead than of conducting a political purification. 25X1A

4. As a result of dissolution of the Oil Staff ([REDACTED]) supervision of details in the oil fields is considerably less strict than before. A relaxation has been especially apparent in personnel matters, where the Communists were previously permitted to intervene directly with the Oil Staff to exert pressure on particular individuals or groups. All personnel questions are now handled by the Kantgasse office; this deprives the Communists of a great deal of their former on-the-spot influence. Relaxation of supervision is now also apparent in the circumstance that production reports are required to be submitted only monthly, whereas formerly they were required every ten days by the Oil Staff.
5. The works councils are still attempting to exact from the Soviets a settlement on the collective wage agreement. Since Ryabinin, chief of CASOCA, is sick, the matter has been in effect postponed. Even though he appointed two officials from the Kantgasse office as his representatives, it soon became clear that they were not empowered to make decisions. Consequently, although they agreed in principle to the outlines of a general agreement, they were not competent to discuss individual points of the settlement. This has given rise to great bitterness among the workers. Accordingly, as source learned from a member of the central works council, a mass meeting was scheduled for 14 or 15 July 1948 at DEA Neusiedl. Principal speakers were to be the Communist Krisch, head of the Zistersdorf Central Works Council and of the DEA Works Council, and one Kunst, Communist secretary of the White Collar Workers Union. Topics to be discussed were failure of the Soviets to keep their word, strike threats, and passive resistance. When this information became known to the Soviet chief of DEA, he forbade the meeting, whereupon Krisch called Yegorov, deputy chief of Casoca. Yegorov not only supported the ban on the meeting but threatened both Krisch and Kunst with arrest by Soviet police if the meeting were carried through. Krisch immediately backtracked and tried to pin responsibility for the planned meeting squarely on Kunst. According to source, these most recent events have dealt Communist prestige in the oil fields a severe blow, the consequence of which cannot yet be determined.
6. During the last week in June 1948, the Soviet administration required that personal history statements be made out by all the employees and workers above the rank of shift foreman. This is the fourth time that such information has been demanded by the Soviets.

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